

NEWS

United States Department of Justice
U.S. Attorney, District of New Jersey
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FOR IMMEDIATE RELEASE
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Owner and Two Employees of Westville Food Mart Sentenced for \$280,000 Food Stamp Fraud

(More)

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CAMDEN – The owner of a Citgo Food Mart in Westville and two store employees were sentenced to prison terms ranging from 12 months to 18 months today for defrauding the federal food stamp program of more than \$280,000, U.S. Attorney Paul J. Fishman announced.

U.S. District Judge Joseph H. Rodriguez sentenced Mehal Mothon, 48, of Berlin, who owns a Citgo Food Mart, to 18 months in federal prison. Judge Rodriguez sentenced two of Mothon's employees, cousins Palwinder Singh, 30, of Buena Vista, and Lakhwinder Singh, 42, of Cherry Hill, to 15 months and 12 months in prison, respectively. Judge Rodriguez also ordered all three defendants to be responsible for full restitution in the amount of \$283,350.

On Nov. 5, 2009, all three defendants pleaded guilty before Judge Rodriguez. Each of the defendants pleaded guilty to separate one-count Information that charged them with conspiracy to embezzle from the U.S. Department of Agriculture's Supplemental Nutrition and Assistance Program, or "SNAP."

At his plea hearing, Mothon stated that from July 2007 until March 2009, he owned a Citgo Food Mart on Delsea Drive in Westville. Mothon admitted that during this time period, he defrauded the Department of Agriculture's Food and Nutrition Service of approximately \$283,350.

Mothon said he understood that SNAP benefits were to be redeemed only for the purchase of approved food items. But he admitted exchanging SNAP benefits for cash and authorizing and instructing Palwinder Singh and Lakhwinder Singh on how to exchange cash for SNAP benefits.

Palwinder Singh and Lakhwinder Singh both admitted at their respective plea hearings that at various times they worked for Mothon at his Citgo business and that they participated with Mothon in the scheme to exchange cash for SNAP benefits in return for a 50 percent fee.

According to the Informations to which the defendants pleaded guilty, the defendants regularly charged customers' Electronic Benefit Transfer ("EBT") cards for amounts that did not represent payment for approved food item purchases. In fact, although in many instances these EBT transactions involved the purchase of a few, low-cost food items, the defendants typically passed half of the fraudulent charges to the customers in the form of cash and kept half the charges for their own benefit. Mothon received payment from the Department of Agriculture for the full value of the fraudulent transactions when the SNAP program made payment to Citgo Food Mart for the full amount charged to the customers' EBT cards.

The defendants were arrested on criminal Complaints on April 1, 2009, in an investigation into SNAP benefits trafficking by food retailers authorized to process EBT transactions in exchange for the purchase of food. The undercover investigation was conducted by Special Agents of the USDA Office of Inspector General (USDA OIG), with the assistance of agents from the U.S. Secret Service and investigators with the Camden County Prosecutor's Office.

In total, the investigation by the U.S. Department of Agriculture uncovered approximately \$1.1 million in fraud at three small convenience stores located in Camden through their owners and employees illegally exchanging SNAP program benefits for cash.

In determining the actual sentences, Judge Rodriguez consulted the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Fishman credited Special Agents with the Department of Agriculture Office of the Inspector General, under the direction of Special Agent in Charge Brian L. Haaser; the U.S. Secret Service, Philadelphia Division, under the direction of Special Agent in Charge Robert Slama; Investigators with the Camden County Prosecutor's Office, under the direction of Prosecutor Warren W. Faulk, and the Camden Police Department, under the direction of Chief of Police John Scott Thomson, with the investigation leading to today's guilty pleas.

The government is represented by Assistant U.S. Attorney Kevin Smith of the U.S. Attorney's Office's Criminal Division in Camden.

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Defense Attorneys:

Mothon - Kevin Mark Wray, Esq. Media, Pa.

Lakhwinder Singh - Stanley J. Ellenberg, Esq Philadelphia

Palwinder Singh - Patrick F. Lomax, Esq. Media, Pa.